



COMMUNITY ECONOMIC DEVELOPMENT AS A CATALYST FOR INNOVATIVE FUNDRAISING

By Kathleen Sheldon, Director of Development, and Nona Liegeois, Managing Attorney, Community Economic Development, Legal Aid Foundation of Los Angeles

With help from the Legal Aid Foundation of Los Angeles, the tenants of Comunidad Cambria took ownership of their overcrowded and dilapidated slum building and transformed it into one of the first privately owned Los Angeles apartment complexes to be bought and rehabilitated by tenants. City officials once deemed this complex in the Pico-Union district “one of the worst” substandard buildings in the city. Home to 47 families who dutifully paid rent for inferior apartments that had numerous housing, building and safety code violations, the building had attracted squatters, drug and gang activity, crime and prostitution. Through the Capacity Building Project, Community Economic Development advocates helped the tenants form a non-profit group, and prepared and negotiated contracts for construction, development, architectural design, financial consultation, and funding. Now, 40 low-income families, including 12 of the original tenant families, are living in the building’s newly renovated, spacious and one- and two-bedroom units.

Community economic development activities have been an integral part of the advocacy plan of the Legal Aid Foundation of Los Angeles (“LAFLA”) since 1987, when the Community Economic Development (“CED”) unit was formally organized with one full-time coordinator and two part-time staff. Five years later, in the wake of the April 1992 civil disturbances in Los Angeles, the unit was expanded to six full-time CED specialists, with the help of a major grant from the Ford Foundation. Since then the CED unit has continued to sustain its service capacity and address emerging community needs through a variety of innovative funding sources.

The April 1992 civil disturbances graphically illustrated the desperate problems facing Los Angeles’ most disadvantaged neighborhoods, and the critical need for community-based initiatives that would combat the root causes of poverty and have a lasting, positive impact. The Ford Foundation was seeking to partner

with local organizations in innovative projects that could address this need. The Ford Foundation awarded LAFLA a pilot grant of \$400,000 to launch the Capacity Building Project, geared to help existing and emerging grassroots organizations function independently and successfully by providing them with practical training on leadership development and capacity-building issues as well as technological and legal assistance. The Foundation subsequently awarded a follow-up grant of \$100,000 to sustain the project beyond its initial start-up period.

The Capacity Building Project was appealing to the Ford Foundation because it was unique in several ways. While other organizations were working with community groups in specific arenas, only LAFLA was providing comprehensive and specialized developmental assistance to a broad range of community-based organizations representing the many diverse ethnic and cultural populations that make up contemporary Los Angeles. The goals and methods of the proposed project sought not to manage the client organizations’ operations for them but to help the groups become self-sufficient and operate independently. No fees would be charged to client groups; services would be free of charge to all that met Legal Services Corporation eligibility requirements. Lastly, the project, if successful, could be replicated in other disadvantaged communities.

The core component of the Capacity Building Project was a “Practical Approaches to Community Economic Development” monthly workshop series covering a variety of topics: incorporation issues, organizational management, funding options, and accounting and fiscal management, to business development, microbusiness assistance, cooperatives, job creation and training, child care and youth centers, and affordable housing production and preservation. Limited follow-up technical assistance, and referrals to other resources and services, was provided as needed to established groups needing less intensive help. Intensive technical

assistance was provided to selected emerging community groups to help them form, manage, fundraise and implement community economic development strategies as functioning non-profit organizations.

More than 200 groups have benefited from the Capacity Building Project in the decade since its inception. The success of client groups such as Comunidad Cambria has provided specific, measurable outcomes that LAFLA has used to effectively demonstrate to potential funders how this capacity-building training and transactional legal assistance can bring lasting improvements to low-income communities and is deserving of their partnership and investment. In this way, LAFLA has been able to build on the project's success to leverage other sources of funding not only to continue these existing services but also to expand advocacy efforts to meet emerging needs.

For example, LAFLA received Americorps funding for six years to support five National Service Legal Corps members who helped staff the Capacity Building Project (several of whom have gone on to become regular LAFLA employees). We also have tapped funds targeted toward providing a specific kind of service that have helped supplement the cost of providing this broad-based training for community-based organizations no matter what their focus. For example, we received a Child Care Capacity Building Project grant from the California State Department of Education and the Mexican American Opportunity Foundation to provide training and assistance to current and prospective child care providers in Los Angeles County. A grant from the federal Housing and Urban Development Department funded legal and technical assistance to affordable housing developers and nonprofits interested in developing affordable housing and engaging in economic revitalization activities in their communities.

On new fronts, grants from the Bank of America Consumer Education Fund underwrote the provision of consumer education and debt crisis counseling workshops, developed in response to the requests of several of our nonprofit groups who reported an urgent need for such services among their clients. Funding from California's Equal Access Fund enabled us to develop a Removing Barriers to Self-Sufficiency Project (helping

The goals and methods of the proposed project sought not to manage the client organizations' operations for them but to help the groups become self-sufficient and operate independently.

low-income people expunge their criminal records and obtain their driver's licenses so that they can seek employment opportunities) and a Small Business Legal Assistance Project. The Boeing Company and Northrop Grumman have awarded corporate foundation grants to launch a new Home Advantage Initiative, an outgrowth of CED affordable housing advocacy that seeks to help low-income individuals into homeownership opportunities and rehabilitate sub-standard multi-family buildings into quality affordable housing. In collaboration with other groups, we are seeking funding from the California State Department of Transportation, Division of Transportation Planning, for a transit-related Environmental Justice Project to involve minority, limited English proficiency, and low-income transit riders in short- and long-term transportation planning processes in Los Angeles County.

We have also "marketed" our successes in community economic development in other ways, using CED stories in our annual report, program video and website, and as the focal point of individual donor appeals and law firm campaign supporting materials.

Finally, LAFLA is taking this idea into new areas, exploring the potential of using community economic development advocacy to provide a consistent "fee-for-service" funding stream that will augment our general operating revenue sources. A key part of the Small Business Legal Assistance Project is now providing individual legal assistance to low to moderate-income small business entrepreneurs on a sliding fee scale basis. And today we are exploring the notion of contracting with unions to provide legal services to their local memberships.